

NOTE: A VERSION OF THIS DOCUMENT PUBLISHED AT THIS SITE PRIOR TO JUNE 24, 2004 CONTAINED ERRORS IN TEXT AT SUBSECTION (b). THIS DOCUMENT CORRECTS THOSE ERRORS.

---

TITLE 10. INVESTMENT CHAPTER 5. INSURANCE COMMISSIONER, SUBCHAPTER 9.  
INSURANCE FRAUD, ARTICLE 4.

PROGRAM FOR INVESTIGATION AND PROSECUTION OF AUTOMOBILE INSURANCE FRAUD

§ 2698.62. Setting of the Annual Fee

(a) Each insurer will be assessed and will pay an annual ~~annualized~~ fee of one dollar (\$1.00) for each vehicle it insures under a policy of insurance issued in this state. ~~This fee shall be paid in increments of twenty-five (\$.25) for each quarter of a calendar year or any part thereof. Neither the amount assessed nor the payment of the assessment shall be prorated.~~ The assessment shall be made as provided in paragraph (b) of this section.

(b) ~~The calendar year first quarter assessment shall be calculated by identifying the number of vehicles in this state for which a policy of insurance is in force as of January 1, plus the number of vehicles for which a new policy has been issued in the first quarter. The calendar year second, third and fourth quarter assessments shall be calculated by identifying the number of vehicles in this state for which a policy of insurance is in force as of April 1, July 1 and October 1, respectively, plus the number of vehicles for which a new policy has been issued in the respective quarter. The Commissioner will invoice for the assessment quarterly. An assessment shall be due, in full, on each vehicle, identified by its vehicle identification number, in the first quarter that a policy becomes in force on the vehicle, including when a vehicle added to an existing policy or replacing one under a policy already in force. An assessment shall be due only once every consecutive four quarters, on the same vehicle insured by the same insurer. Each quarterly assessment payment shall be submitted with a certification by an Officer of the insurer, under penalty of perjury under the laws of the State of California, that the number of vehicles reported therein is accurate and has been calculated in conformity with these regulations. The insurer shall, on request by the Commissioner, provide verification of the number of vehicles insured under a policy of insurance.~~

(c) In order to verify of the number of vehicles for which an assessment is due and has been paid under this section, each insurer shall maintain a file known as the Automobile Assessment File. The Auto Assessment File shall contain the vehicle identification and policy number and dates of coverage for every vehicle for which a policy of insurance was in force for each quarter or any part thereof. For group insurers,

the information shall be maintained on an individual company basis. The data shall be kept in a computer format that allows for the insurer to place each calendar year quarter data on a computer media format in a manner specified by the Commissioner. The data in the file shall be kept for a minimum of five years after each calendar year quarter.

(ed) ~~A~~ A separate assessment need not be paid on a vehicle insured on:

- (1) A renewal policy issued within the same quarter of a calendar year, on the same vehicle by the same insurer or insurer with the same group.
- (2) A multi-peril, umbrella or excess coverage policy where the vehicle is already covered under a primary policy.
- (3) A road-side or mechanical breakdown policy that does not provide coverage for collision or other-than-collision (comprehensive) losses.

(4) A vehicle for which a policy has been written but was not put in force.

(de) Payment of the assessment shall be considered delinquent if not paid by the insurer within forty-five (45) days of the invoice date Any amount not paid within this period shall be charged a late fee in accordance with CIC section 12995.

(ef) Notwithstanding subdivision (a) of this section, if the Commissioner determines that the amount to be collected will exceed the amount to be expended from the annual Budget Act appropriation to fund the program under this article, the Commissioner may discount the amount of the assessment to be collected to more closely meet the expenditures authorized by the annual Budget Act.

**AUTHORITY:**

Note: Authority cited: Sections 1872.8, Insurance Code. Reference: Section 26500, Government Code; Sections 1872.8 and 12995, Insurance Code.